

2. The Grantors covenant and agree as follows:

a. The terms of this Deed of Trust are made a part of the agreement of the loan. The Grantor(s) shall promptly and punctually pay when due and payable all amounts due and owing under any prior mortgage(s), insurance premiums and all taxes, assessments, levies, ground rents, fees and charges, levied or assessed, or to be levied or assessed, on the Premises. If the Grantor(s) shall fail to pay any such amount, the Beneficiary, without obligation to do so, may make advances to pay the same and all sums so advanced shall be payable by the Grantor(s) on demand and shall be secured hereby. If those sums are not immediately paid by Grantors, they shall be added to the principal of the loan and interest shall be charged on them as provided in the Note. The Beneficiary, without obligation to do so, may also cure or remedy any other matter in default under any prior mortgage(s) and preserve the interest of the Beneficiary in the Premises and may also add any sums so advanced to the principal of the loan and charge interest on them as provided in the Note;

b. The Grantor(s) shall keep all buildings and improvements on the Premises insured against loss or damage by fire and such other hazards in at least an amount and with an insurer satisfactory to the Beneficiary or any superior mortgagee(s) with a standard mortgagee clause in favor of the Beneficiary and any superior mortgagee(s).

c. The Grantor(s) shall keep the Premises in good order, condition and repair and shall not commit or permit any waste thereof, ordinary wear and tear excepted; and

d. The Grantor(s) shall comply with all of the terms and conditions of any prior mortgage(s) and promptly notify the Beneficiary in writing of any default by the Grantor(s) under any such mortgage(s);

e. At the request of the Beneficiary, Grantor(s) shall pay: attorneys' fees for services rendered in connection with the preparation, closing, or disbursement of the loan; any expense, tax or charge paid by Beneficiary to a governmental agency; fees for examination of title, appraisal, or other costs necessary or appropriate to the security of the loan; Trustees' fees; and premiums for any applicable insurance coverage;

f. Upon any default hereunder or under the Note, if the loan secured hereby is referred for collection to an attorney who is not a salaried employee of Beneficiary, Beneficiary may charge and collect from the Grantor(s) reasonable attorneys' fees of 20% of the unpaid principal balance of the loan secured hereby at the time suit is filed.

g. Beneficiary is entitled to recover from the Grantor(s) all actual court costs and other collection costs.

3. The Premises (or an interest therein) may not be sold or transferred without the Beneficiary's prior written consent. If Grantor(s) now occupy or will occupy the Premises, the following sales or transfers of the Premises do not require Beneficiary's prior written consent: (a) the creation of a lien or other encumbrance subordinate to this Deed of Trust which does not relate to a transfer of rights of occupancy in the Premises, provided that the lien or encumbrance is not created pursuant to a contract for deed, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or tenant by the entirety, (d) the grant of any leasehold interest of three years or less not containing an option to purchase, (e) a transfer to a relative resulting from Grantor's death, (f) a transfer where Grantor's spouse or children become an owner of the Premises, (g) a transfer resulting from a decree of a dissolution of a marriage, legal separation agreement, or from an incidental property settlement, by which Grantor's spouse becomes an owner of the Premises, (h) a transfer into an inter vivos trust in which Grantor(s) are and remain beneficiaries and which does not relate to a transfer or rights of occupancy in the Premises, and (i) any other transfer or disposition described in regulations prescribed by the Federal Home Loan Bank Board.

4. Upon and after any default hereunder or under the Note or under any obligation secured hereby, (a) the entire principal balance of the Note, and all accrued and unpaid interest thereon and all other sums secured by this Deed of Trust shall, at the election of the Beneficiary, immediately become due and payable, and (b) the Trustees (or either of them) may, and upon the written request of the Beneficiary shall, in accordance with applicable provisions of the Real Property Article, Annotated Code of Maryland and the Maryland Rules, and any amendments, supplements, or additions thereto, sell the Premises. Upon any such sale of the Premises, the proceeds shall be applied in the following order of priority: (i) if there are no prior mortgages encumbering the Premises on the date of this Deed of Trust, to repayment of all costs and expenses of said sale, including attorney's fees and a commission to the Trustee for making the sale, (ii) to the payment of all sums due and owing under the Note or this Deed of Trust, and (iii) to the payment of any surplus to whomever may be lawfully entitled to the same; provided however, that any failure of the Trustees and/or the Beneficiary to enforce any of its rights or remedies hereunder shall not be a waiver of any right to do so thereafter.

5. Neither of the Trustees nor any successor will have any liability for any action taken in the exercise of such Trustee's discretion including, without limitation, sale of the Premises en masse or in separate parcels, any action taken on the advice of counsel or any action taken based on the Trustee's reasonable belief as to the existence of relevant facts, including the fact of default or breach of covenant on the part of the Grantor(s).

6. From time to time and without notice to the Grantor(s), by a Deed of Appointment signed and acknowledged by the Beneficiary and filed for record in the office of the Clerk of the County in which the Premises are situated, the Beneficiary may appoint another trustee or trustees to act in the place and stead of Trustees or either of them or any successor to either of them.

If in this Deed of Trust the Grantor(s) is or includes persons other than Borrowers then Borrowers only are primarily liable for payment of the Note and Grantor(s) are liable and bound by all other terms, conditions, covenants and agreements contained in this Deed of Trust, including but not limited to the right of and power of Trustee to foreclose on this Deed of Trust in the event of default by Borrower of payment of the Note.